



Austria*

Launch Pad
for Young
Enterprises

www.investinaustria.at

INVEST IN AUSTRIA **ABA**





From startup to global player

Start your business in the startup country of Austria

Do you have brilliant ideas, courage, the ability to innovate and an entrepreneurial spirit? In Austria, you will find ideal conditions for your startup – from its launch to expansion to turning it into a global player. Spectacular exits in the three-digit million range, such as the sale of Runtastic, the fitness app, to Adidas, or Shpock, the flea market platform, to Schibsted, demonstrate how successful companies “made in Austria” can be. These early founders are part of a quickly growing ecosystem for startups and invest in new exciting projects, together with business angels. The extremely lively community ensures international networking opportunities at events such as the Pioneers Festival and attracts growth drivers to Austria, such as Talent Garden.

Our goal is to become the number 1 startup country in Europe. Consequently, not only did we create an internationally exemplary crowdfunding law, but also offer more funding and services than ever before. In addition, research expenditures are at record levels.

Austria has already reached second place in the European Union in regard to R&D rates. All of this helps create an excellent environment for startup entrepreneurs. What is new is that the first three employees of innovative startups will not incur any incidental wage costs. In addition, we offer well-endowed business angel funds, seed funding and venture capital bonuses for private investors. There is also a 24-hour quick check for funding requests.

More companies than ever are coming to Austria now. They appreciate the hub function directed towards Eastern and Southeastern Europe, the large number of specialists available, innovative universities and technical colleges, as well as the high level of stability and legal security. We support the growth of young companies at all levels. So take our word for it. Start your business in Austria!

Dr. Reinhold Mitterlehner

Vice Chancellor of the Republic of Austria and Federal Minister of Science, Research and Business

Contents

- | | |
|--|--|
| 4 Partnership between companies and the State | 8 Startup Success Stories |
| 5 Half a million in startup financing | 9 Startups with an international background |
| 6 How to start your startup in Austria | 11 The first contact for startups and investors |



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Austria, the startup hotspot

The startup scene in Austria just keeps on growing and growing. More companies being founded, more exits, and more capital. Austria has had a booming startup scene for years and, as a central European hub, it greatly appeals to ambitious local and foreign entrepreneurs. Vienna in particular is increasingly turning into a startup hotspot. The Startup Report Austria lists 67 deals in 2016. These involved expenditures of 81 million euros, with 50% of investors based outside of Austria.



“What’s happening in Vienna is pretty exciting. The startup ecosystem here is growing fast, with the city positioning itself as a hub full of ambitious people and a very high standard of living.”

**Andreas Tschas,
Pioneers Co-Founder**



Austria is larger than you might think

Austria stands out as ...

- hub between East and West
- gateway to DACH (Germany, Austria, Switzerland), the largest European market with a common language.
- an ideal starting point for introducing products on a manageable, highly affluent market, where rapid expansion is possible.

Fast moving ...

- **International appeal:** In the European Startup Initiative (esi) survey, the 700 participating company founders voted Vienna among the ten most popular destinations.
- **Unprecedented networking opportunities:** Talent Garden, Europe’s largest startup campus network, shall open its first office in a German-speaking city in Vienna.
- **Greatest appeal:** With the launch of weXelerate, the largest startup hub in CEE, one of the largest startup hubs in the world will be opened in Vienna, covering more than 8,000 square meters.
- **Startup package:** The Austrian government is promoting the launch of startups, with a well-funded package of measures worth 185 million euros.



International investors bet on Austrian startups
67 deals in 2016

Source: Startup Report Austria 2016

Number of deals	Deal/EUR	Percentage of international investors
28	250,000 – 500,000	39%
19	500,000 – 1,000,000	58%
11	1,000,000 – 2,000,000	40%
5	2,000,000 – 5,000,000	80%
4	5,000,000+	100%



Harald Mahrer,
State Secretary in the
Federal Ministry of Science,
Research and Economy

Fertile ground for effective growth

Partnership between companies and the State

Anyone who wants to build a successful company and turn brilliant ideas into profitable products and services needs a good environment, in addition to talent and a high level of commitment. What can Austria offer in this regard?



“We want to make Austria into the number one land of founders in Europe, both with respect to startups and for all people with entrepreneurial courage. We are further strengthening our efforts in this area following the EUR 185 million Startup Package launched in the summer of 2016. We are mobilizing EUR 1 billion in private capital to build up networks of excellence, promote innovation and bring forth world market leaders. At the same time, we are further reducing the burden of ancillary labor costs on young entrepreneurs when they create new jobs and are freeing them from unnecessary bureaucratic obstacles. This is because company founders create jobs for Austria's future.”

Startups find the best conditions for founding, growth and expansion in Austria

Talent

The very high level of education in technical fields is guaranteed by technical universities and by many technical colleges. An international focus is guaranteed by the high proportion of foreign students (more than 27%). A startup visa allows foreign high-tech entrepreneurs to be self-employed in Austria.

Startup community

Self-organization of the startup scene into startup clusters and co-working spaces, and promotion through events, both large and small, such as the Pioneers Festival. Company founders who experienced successful exits are investing in new startups and creating networks at all levels.

Funding

A differentiated funding system in which the Austrian Research Promotion Agency [Österreichische Forschungsförderungsgesellschaft (FFG)] and the Austria Wirtschaftservice GmbH (aws) provide startup support to high-tech company founders through specific programs and company founder funds. A 24-hour quick check for funding requests, as well as the Global Incubator Network (GIN) ensure quick, uncomplicated processing.

Half a million in startup financing

Why is Austria a particularly good base for startups and investors?

"The scene in Austria is small, but very interesting for investors. For one thing, the Austrian company startup scene is characterized by surprising agility and innovation. There is comparatively good access to the best educated developers, an excellent funding environment, many active business angels and, with Speedinvest, early phase funds that operate worldwide. As an investor in startups, Speedinvest has pumped more than 25 million euros so far into startups, and a series of startups in its portfolio, including TourRadar, Bitmovin, Shpock, Hitbox, and Playbrush, which already attract international attention. On average, a new company gets around 500,000 euros."

What makes expansion into Austria attractive?

"For some startups, Austria is nearby, which makes expansion easier. As an EU member, the legal framework is very simple and stable. At the same time, we are part of a large area that speaks the same language, and we are in a central geographical position. The relatively small size of the market is an important advantage, especially for startups - here, you can expand internationally even at a moderate cost. At Speedinvest, we support many of our international startups with market expansion, often into Austria as well. We also support companies in follow-up financing (Series A and later). We also have an office in Silicon Valley and a partnership with New Enterprise Associates (NEA), through which we can also support the companies in our portfolio later on."



Speedinvest has been financing startups since 2011. With Speedinvest II, around 100 investors were brought on board, and the fund size totals 90 million euros.

speedinvest.com



Oliver Holle, Speedinvest



"Implementing international expansion at a moderate cost."

Founding a company

A digital one-stop shop that enables the foundation of a company quickly and inexpensively. The "privileged position of a GmbH [Limited Liability Company]" facilitates the entry into self-employment as well as reduced incidental wage costs in the first three years, with a minimum payment of 5,000 euros, instead of 17,500 euros.

Financing

The support network of early stage investors, incubators and business angels, which is becoming increasingly professional, such as is demonstrated by the founding of the Austrian Angel Investors Association (aaia). The venture capital bonus will be used to support investments of up to 250,000 euros. Crowdfunding is booming and has quadrupled since the entry into force of the new Crowdfunding Act.

Taxes

An investment-friendly tax system, with a 12% tax credit for investment in research and a uniform corporate tax rate of 25%. Private investors can invest up to 15,000 euros, tax-free, in risk capital for SMEs.

Clusters

Best possible networking of business and science through clusters in the life sciences, automotive, environmental and energy technology, microelectronics and mechatronics sectors.

HOW TO START YOUR STARTUP IN

AUSTRIA

Austria has emerged as a startup hub, especially in the fields of information technology, media and life sciences as well as creative industries. Forbes selected Austria as one of seven startup hotspots in Europe to found your company.



MAJOR EVENTS

FEB I²c Networking Friday <i>Vienna</i>	APR Startup Festival <i>Upper Austria</i>	JUN Pioneers Festival <i>Vienna</i>	OCT TEDx Vienna <i>Vienna</i>
MAR Skinovation <i>Innsbruck</i>	MAY StartUP Live <i>Vienna</i>	JUN Fifteen Seconds Festival <i>Graz</i>	OCT Gründen in Wien <i>Vienna</i>
MAR Entrepreneurship Avenue <i>Vienna</i>	MAY We Are Developers <i>Vienna</i>	OCT i2b Business Plan Competition <i>Vienna</i>	NOV Managers <i>Vienna</i>



COMMUNITY & MEDIA



COWORKING SPACES



FUNDING



STARTUP SUCCESS STORIES

runtastic
The fitness app Runtastic was sold to Adidas for 220 mill euros in 2015.

paysafecard
Paysafecard is the European market leader for online payments.

shpock
The flea market app Shpock was sold to Schibsted for 200 mill euros in 2015.

mySugr
mySugr is a dietary and health-tracking app for diabetics.

AFFiRiS
AFFiRiS develops vaccines for serious diseases such as Alzheimer's, Atherosclerosis, Parkinson or Diabetes.

bwin
Bwin is the largest online gaming provider in the world.

hitbox
The Austrian video streaming service Hitbox was taken over by the UScompany Azubu in 2017.

U)SOUND
USound develops micro-speakers for smartphones.



START YOUR STARTUP

21

day to establish the company

€5000

initial shared capital

25%

corporate tax for startups

20%

VAT



ACCESS TO TALENT

One in four of the approx. 380.000 students in Austria is of international origin.

This creates a big pool of potential co-founders and early employees. Moreover, it can be a good target group for your business.



COSTS OF LIVING

- Rent 45m2 €561
- Food €200+
- Utilities 45m2 €122
- Public Transportation €46
- Internet (8 Mbps) €20

Total €950+

GRANTS



CROWD FUNDING



INCUBATORS



VENTURE CAPITAL



ACCELERATORS



ANGEL INVESTORS



ABA
INVEST IN AUSTRIA

ABA – Invest in Austria offers customized information, support and consulting to international investors establishing business operations in Austria. Services of ABA are free of charge.





Startup Success Stories

Spectacular exits made by Austrian startups are at the forefront of a rapidly growing startup scene. These include companies such as **Runtastic**, the fitness app that was sold to Adidas for 220 million euros in 2015, the flea market app **Shpock** (Schibsted), and **Hitbox**, the Austrian video streaming service that was taken over by the US company, Azubu (2017).

The way that a startup from Austria becomes a global player is demonstrated by young companies that have become market leaders, such as **Bwin** (the largest online gaming provider in the world), Paysafecard (the European market leader for online payments), **UBIMET** (the fastest growing private European provider of meteorology services), and **wikifolio**, the online portal for index certificates for financial investments, which was selected by Deloitte as number 9 among the 500 fastest growing companies in the areas of technology, media and telecommunications (TMT).

Many other lighthouse projects, such as **Crystalline Mirror Solutions (CMS)**, **AFFiRiS**, **KIWENO**, **MySugr** and **Scarletred** or **Lithoz** are attracting the interest of international investors for the startup hotspot Austria. Additional financing rounds totaling millions helped to create the following startups in 2016:

TRICENTIS

Software testing tools for continuous testing

165 million USD

U SOUND

Micro-speakers for smartphones

17 million EUR

BITMOVIN

Technology for video streaming over the Internet

10 million EUR

miracor

Medical technology for heart attack patients

7 million EUR

tourradar

Travel portal for group travel

5.5 million EUR

SMARTBOU

Eartags for real-time cow localization

5 million EUR

Company founders profit from the startup hotspot Austria

International company founders report on why Austria is a good starting point for innovative companies.



“After a good start with Kickstarter, we have now secured another financing round with three investors, which totals 500,000 euros, and we are getting started in retail and launching a new app. In Austria, with the support ecosystem and the international networking opportunities within the community, we have found the perfect conditions for our growth. We are expanding our distribution network and we are looking for further capital to finance our growth.”



Robo Wunderkind has developed a Lego-like robot, which allows children to learn programming, and is already being used in schools. The startup was founded in 2015 in Vienna by Anna Iarotska (Ukraine) and Rustem Akishbekov and Yuriy Levin, both from Kazakhstan.

robowunderkind.com



Anna Iarotska,
co-founder of
Robo Wunderkind



Katharina Pirker,
co-founder of NiLAB



"We chose Austria over other European locations. Funding for technology-oriented startups and competent support, starting with the business plan all the way to the company foundation, are the best and made it very easy for us to decide on Austria."



NiLAB was founded in 2016 by the Italian Marco Gavesi and Katharina Pirker in Carinthia. The company develops and produces miniaturized linear motors for the medical, semiconductor and packaging industries.

www.nilab.at

Vlado Petrushev,
founder of Minebox



"Austria is a country which has extremely high quality engineering talent who can crack down very difficult challenges and make the solutions simple and elegant. The community is very supportive, and as a startup company you have full access to governmental funds and access to corporates, which allow your business to grow. There is great synergy between the academia and businesses."



Minebox was founded in late 2015 by Vlado Petrushev (USA) in Vienna and offers a decentralized and secure cloud solution, in which private storage capacities can be used for backups, and its own capacities can be offered. Minebox has been collaborating with the US company Sia (sia.tech) since 2017.

minebox.io

The first contact for startups and investors

ABA – Invest in Austria (ABA), as the consulting company for the Republic of Austria, is the first contact for innovative company founders and interested investors.

- **Personal support for founders**
We have experienced consultants who have been with us for a long time, and who are experts in all aspects of company founding. We offer you personal support, and we provide you with all the contacts you need in Austria. → startup@aba.gv.at
- **Extensive information pool**
We provide all the current data on Austria as a business location. We also provide information on industries, technologies and market developments, as well as on political and economic conditions.
- **Expert consulting**
We advise you on the best choice for your first company location. We answer your questions regarding work and taxes; we provide information on the ideal source of funding for you, about co-working spaces, incubators and accelerators; and we help solve problems with the foundation of your startup company.
- **Strong support**
We help with the processing of formalities. We work together with you in researching funding sources, and support you in working with the respective investment promotion agencies at regional level.
- **Sustainable service**
We offer advice and support in the long term. After your project has been implemented, we continue to be available to you as a service center for further investment and development steps.



- Business Location Austria
- Bridge between East and West
- Automotive Industry
- Chemistry / Plastics
- Environmental Technologies & Renewable Energies
- Headquarters Location Austria
- ICT / Telecom
- Life Sciences
- Logistics
- Machinery / Electronics / Mechatronics
- Research & Development
- Tourism
- Starting Business in Austria
- Tax Aspects of Investments in Austria

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